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THE POLITICAL SIDE OF STATE OWNERSHIP IN FRANCE

BY THEODORE STANTON

THE NORTH AMERICAN REVIEW has recently published, from the pen of two distinguished Frenchmen who speak with authority on whatever they treat, two notable articles on Government ownership of public utilities. I refer to M. Paul Leroy-Beaulieu and M. Jules Roche.

In his special field, that of the old classic system of political economy, M. Leroy-Beaulieu stands first in France, if not in Europe. His intellectual force is questioned by no one. He is a Member of the Institute, Professor of Political Economy at the Collège de France, founder and editor of the *Economiste Français*, and President of the Society of Political Economists, whose interesting monthly meetings he presides over with the greatest courtesy and ability. Son of a Prefect of the Orleans Monarchy, son-in-law of a Senator of the Second Empire, and father of the present Conservative deputy for Montpellier, he is naturally not in full sympathy with the democratic Republic which is taking firmer root in France with each succeeding year, and his views on public questions do not always reflect exactly the state of mind of the people and the condition of things in his country. The facts themselves are correct enough, but the atmosphere which surrounds them is sometimes overcharged.

M. Jules Roche, like M. Paul Leroy-Beaulieu, is of conservative origin, but unlike the latter, he has gone through a period of advanced Radicalism, only to return at the close of life to his starting-point. Nephew of a Catholic Bishop and educated at the well-known ultra-Catholic Stanislas College of Paris, he early wandered from the fold, opposed the Second Empire in its last years, welcomed ardently the New Republic, and joined the editorial staff of *La Justice*,

the organ of Clemenceau, when the latter was leader of the Extreme Left in the Chamber of Deputies. On entering the Paris Municipal Council, he took a seat among the most advanced members and by speech and vote showed a strong antipathy for the priesthood; and later, in the Chamber and while Minister, he continued to be one of the most radical of the Radicals. But to-day, M. Jules Roche has destroyed all the political idols of his early manhood, and has become perhaps the most pronounced, as he certainly is one of the most intellectual, of the Jeremiahs of the Third Republic, which, however, does not prevent him from standing high, as also does M. Leroy-Beaulieu, in the esteem of political and financial circles outside of his own country, where of course both are prophets without honor. When the Prince of Monaco needed a constitution for his Principality, he turned instinctively to his friend Jules Roche to draw it up for him, and when the Kaiser learned that Jules Roche, who is as fond of music as of constitutional law, was in Berlin, he invited him to the Imperial box at the Opera. Nor did it surprise anybody last summer in Paris that Jules Roche lunched once each week with the young Prince of Wales and acted as a sort of honorary preceptor in the department of political science to the future King of England.

In writing of a democratic Republic, it is only natural, therefore, that M. Leroy-Beaulieu and M. Jules Roche should display a certain political bias, and it is only proper that the foreign reader, whose prime wish is to be absolutely correctly informed, should be put on his guard against this bias. This is the purpose of the present article; and it is hoped that the student of the question of State ownership in France may rise from the perusal of these three articles with a fairly exact idea of the situation. With this end in view, I have next to nothing to add to or take away from the economic and philosophical presentation of the subject as given by M. Leroy-Beaulieu and M. Jules Roche, who have made out a very strong case against State interference with the individual, so strong in fact that I may put away additional facts of my own which bear out their various contentions, though I cannot refrain from calling attention to the congress held last spring by the workmen of the State match factories, where, among other demands, was one for shorter hours, based on the over-stock of matches. But the

Journal des Débats very pertinently asked whether the same result might not be attained, and with profit to the public treasury, if the number of workmen was reduced! Then, there is the quite recent apostasy of Professor Henry Berthélemy, of the Paris Law School. In the preface to the seventh edition, just issued, of his standard *Treatise on Administrative Law*, the learned author, who heretofore has always been a firm advocate of a State railway system, declares that, though theoretically he still holds the same opinion, he is now forced to admit that in practice it is bad. But perhaps the best and most impartial, as it is also the most recent, presentation of the whole subject, not only in France but the world over, is to be found in the volume of that veteran French political economist, M. Yves Guyot, *La Gestion par l'Etat et les Municipalités*.

Nor is it necessary for me to point out here and there in the articles already mentioned a slight over-darkening of the picture and the neglect to offer now and then some extenuating circumstances, especially in the case of the Western Railway under State management. I think every unbiased observer of contemporary French history will be ready to admit that the discussion as presented by M. Leroy-Beaulieu and M. Jules Roche is substantially correct. The cold facts of the first and the fervent philosophy of the second are a just and powerful arraignment of the State in its baneful policy of meddling with the economic and industrial interests of France. This being the case, the average reader might conclude, especially as M. Leroy-Beaulieu and M. Jules Roche in the ardor of their apostleship sometimes seem to leave that impression, that a change is about to take place in France in these matters. But the aim of this article is precisely to show that this is not to happen.

M. Leroy-Beaulieu and M. Jules Roche are both very severe on the Radical party, the *bête noire* of the Conservatives of France. The former even fixes the date of its advent and, as he supposes, its final exit from power. But to an outside observer on the spot, it is evident that this view is largely due to the wish being father to the thought. That the Radical party, or what it would be more correct to say, one branch of the Radical party, has received a momentary setback is quite true; but to conclude therefrom that the ideas which this party stands for, viz., a whole series of

necessary democratic reforms, are killed and indefinitely adjourned would be a grave mistake. A very thoughtful Paris solicitor, M. Michel Milhaud, rightly says in a pamphlet entitled "*Le Collectivisme*," which he has just brought out, that "the Third Republic is not abreast of the monarchical countries in its democratic reforms," a charge, by the way, which has often been made against our own Republic. What is going to occur in France, what is in fact occurring at the moment of writing, is what happens in all healthy constitutional countries—the ins are going out and the outs are coming in; that is all, or about all, that is taking place in the home politics of France. The nation is still ruled, and will continue to be ruled, by Republicans, and, as far as their tenets go, by radical Republicans too. In a word, there is to be a change of persons, which is always good in politics, rather than a change of policies. The ideas and programme of the outgoing Radicals are the ideas and programme of the incoming Radicals of a milder shade. It is the case to repeat with the witty Alphonse Karr, "The more it changes, the more it is the same thing."

There is another and perhaps even stronger reason why the foreign reader of these two articles must not conclude that, because of its failures and evils, State interference is going to cease in France. Government in that country, under all the different régimes, has ever been very strongly centralized, and under the Third Republic this tendency has perhaps increased in practice if not in spirit. The people are becoming there more and more the masters, as in all republics, and are the more willing to be ruled by the central government as it becomes more and more their creation and their creature. If this change is very perceptible to-day in a federative Republic like the United States, it is of course all the more marked in France where the federative principle received its death blow at the upheaval of 1789. In a nation where the Minister of Public Instruction once proudly declared that he knew what every boy and girl in France was studying at any hour of any day in the year, and where the Minister of the Interior has his hand on even the *garde champêtre* of every one of the more than 36,000 *communes*, it goes without saying that in such a land "*Etatisme*" will flourish like a green bay tree; and whether the powers that be are Monarchists, Imperialists, Republicans, or Socialists,

they will all repeat and act upon the saying of Louis XIV., "*L'Etat, c'est moi.*"

A third and not less weighty reason why this policy is to continue is found in the fact that, since the advent of the Third Republic, French democracy has made the greatest forward strides in its history; and now that it is getting more and more strongly intrenched in power, it does not intend to stand still, much less draw back, but of course proposes to go on until the whole work cut out by the Radical party, to say nothing of the dreams of the Socialists, is accomplished. M. Léon Bourgeois, one of the leaders of the Radicals and until the other day Minister of Labor, sums up the programme in these words: "As regards State intervention, the rule should be,—never more than is just, never more than is useful, but as much as is just and as much as is useful." In other words, in France the State will in the future have more to do than it has ever had in the past. The truth of this assertion becomes still more evident if we glance for a moment at some of the things which the French State has done during the last quarter of a century. *Ab uno disce omnes.*

In 1891 was introduced into French criminal procedure what is perhaps the most humanitarian reform known to the French courts and which especially benefits the lower orders of society. I refer to the *Loi Béranger*, or the First Offenders' Act, an innovation that is still warmly approved after a quarter-century's trial. Legislation in the interests of women, children, and old men has been very active during the past twenty-five years. Never before as at present have labor laws occupied so much of the time of the French Parliament and with such practical and far-reaching results. Free speech, free press, and freedom of association have succeeded to the illiberal laws on these subjects in practice during the Second Empire. The separation of Church and State, though some of the provisions of this grand measure were adversely and often unfairly criticized in certain quarters, is approved to-day by a vast—I use the word advisedly—majority of the French people. Nobody in France who thinks and says what he really thinks would ask for a restoration of the Concordat, any more than an American would favor the rescinding, if this were possible, of Lincoln's Emancipation Proclamation. M. Briand's radical measure gave a fresh strength to the policy of State interference in

matters affecting the individual that all the wild schemes, however utilitarian, of M. Jean Juarès cannot weaken.

Nor do the lower classes of France forget that free, unsectarian primary schools came in the eighties from the Republican State, and especially from the then advanced wing of the Republican party, the more moderate element following in the wake, as usual when a popular measure is up for action. Figures count in France, as elsewhere, particularly when read by the hard-headed French peasantry and the quick-witted city working-man, who know—and the Republican leaders are careful not to let them forget it—that, whereas in the last years of the Second Empire only thirty-six millions of francs were devoted to public instruction, to-day, notwithstanding the terrible financial strain caused by the immense war and navy appropriations, the figures are some two hundred and seventy-five millions.

A similar evidence of State interest under a republic in the welfare of the people is seen in the present military organization of France. Thus, in 1870, a second lieutenant was paid one thousand eight hundred and fifty francs a year, or about three hundred and sixty dollars. To-day, he receives two thousand three hundred and forty francs. In 1870, a colonel's pay was six thousand francs, which is about what an Instructor gets in our American universities, and though it is still too low, especially when compared with the American army, it is now eight thousand one hundred and thirty-six francs. And at this very moment a special committee, appointed by the present Minister of War, is drawing up a new bill which is to raise still higher the pay of officers and non-commission officers too. Under the Second Empire, the common soldier's meat ration was two hundred and fifty grammes per day; under the Republic, it is three hundred and twenty grammes. At the beginning of the Third Republic, the mortality in the army was 9.7 for every one thousand men. Now it is less than 4. And crowning all in this category was the law passed on March 21, 1905, which covers a multitude of Radical party sins, at least in the popular eye, where, by the way, it has not very many. The text of this law runs as follows: "Every Frenchman must serve in the army. All are treated alike. No exemptions are made except for physical incapacity." Never until then had the democracy of modern France obtained equal treatment in the national army.

But what most habituates the State to interfere in the life of the French citizen and most habituates the French citizen to accept this interference without protest and, in many cases, even to welcome it, is unquestionably the *modus operandi* of the French electoral system. I do not refer here to the manner of dividing the spoils after an election or to the results expected from the new proportional representation bill, if it ever becomes law. What I have in mind is the way elections are conducted by the State, represented by that arch Boss, the Minister of the Interior, in whose presence our American bosses, in so far as they manipulate things at the polls, are as mere pigmies. Though voters to-day do not deposit their ballots in the coat pocket of the mayor, as was sometimes the case during the Second Empire, the Minister of the Interior and his minions have now as then the upper hand in all that pertains to receiving and counting ballots and announcing results. The ancient machinery of the sentimental days of 1848, when universal suffrage was established in France, bent to the evil ways of the cynical Second Empire, has been preserved and is still used by the Third Republic. In fact, the Republican party finds the domination as serviceable as did the unscrupulous Imperialists, and there appears to be no desire to do away with the crying abuses. The deleterious effect on public opinion of this slavery to the State in electoral matters cannot be exaggerated, and it shows itself in France in various ways. Perhaps no nation is so abject as is the French in the presence of officialdom. It is one of the characteristics of all classes of the people that most astonishes the American and English traveler in France, and is unquestionably largely due to the excessive and unblushing manipulation of universal suffrage by the party in power. State ownership of a railway or a mine seems natural and almost trivial to a public accustomed to contemplate the State controlling the creation of Parliament.

And what are the reforms which the French Republicans are expecting the State still to confer on the nation? They believe with Bastiat that "the ideal sought for should be the harmonizing of all legitimate interests," but they are not all of one mind as to what these "interests" are or how these interests can best be harmonized. Some of the reforms demanded fall, with general consent, within the

ordinarily accepted competence of the State, whereas others are closely allied to the Collectivist doctrine. These desiderata, in so far as they are connected with the economic side of the problem, which is of course the crux of the whole business, are perhaps best summed up by M. Michel Milhaud in the pamphlet already referred to. "The question," he says, "is not between capital, labor, and the State; it concerns only capital and labor," and he then defines his system as "the legal intervention of the State," the point where all French reformers of every school seem to meet. And here is what M. Milhaud thinks the State should still further do:

1. As there are trades in which the worker does not earn a living, the law should fix a minimum wage.
2. As the workman does not receive a fair share of the profits, the law should see that he gets a right return for his labor.
3. A man must live, and consequently the Legislature should exempt from taxation those whom the cost of living renders incapable of paying any.
4. The law should strike a balance between the cost and profit of the different professions, and should tax the remunerative and exempt the unremunerative ones. Thus, trusts and stock-exchange transactions, which have to do with millions and great enterprises, should be taxed in proportion to the importance of the affair.
5. The law should establish a system of professional education fitted to the new economic conditions, an education whose special aim should be to point out the unsurmountable difficulties, due to economic changes, which mark certain callings.

And M. Milhaud closes his pamphlet with these commentaries, which are particularly worthy of attention as being a very good sample of the thoughts now prevalent among the Radicals of France, on his five propositions:

"There must be free play for all—for individuals, groups, associations, and syndicates. But the respective rights of everybody must be protected by the law. There must be no strangling of anybody. Though every man must be left free to rise to the top, he must not be permitted to crush others in so doing. Everybody must be given a 'square deal.' The law must see to it that a man can live and that he gets a fair return for his labor, and should provide an education in keeping with the needs of life and the new economic conditions. It is the right and the duty of the law to act as arbitrator. In order to carry on the public services, it will collect its revenues from those in a position to contribute thereto."

In a country where one of its most original thinkers—

Saint Simon (I refer to the Count and not to the Duke, to the nephew and not to the uncle)—advanced a tenet which has always been very popular in his native land and never more so than to-day, viz., that “all citizens should be office-holders,” it is not probable that the nation will give ear to Emerson’s very true dictum, found in his essay on politics, that “the State must follow and not lead the character and progress of the citizen.” Among Frenchmen of to-day thoughtful minds like those of M. Paul Leroy-Beaulieu and M. Jules Roche may condemn State interference in every form, but they well know that the whole tendency of modern government, especially in democracies and particularly in France, is toward what Laboulaye, whom M. Roche so justly praises, cleverly deprecates in his famous book on the United States, which ranks with those of de Tocqueville and Bryce, though, unlike those remarkable expounders of American institutions, he never was in our country. Here is what Laboulaye, in *Paris en Amérique*, puts into the mouth of one of his American characters:

“The more democratic a people is, the more is it necessary that the individual be strong and his property sacred. We are a nation of sovereigns, and everything that weakens the individual tends toward demagoguery, that is, toward disorder and ruin; whereas everything that fortifies the individual tends toward democracy, that is, the reign of reason and the Evangel. A free country is a country where each citizen is absolute master of his conscience, his person, and his goods. If the day ever comes when individual rights are swallowed up by those of the general interest, that day will see the end of Washington’s handiwork; we will be a mob and we will have a master.”

These lines were written when we were in the midst of our Civil War, but are perhaps more apropos to-day than they were just half a century ago.

THEODORE STANTON.